Realising the well-being benefits of flexible working

UNIVERSITY OF BIRMINGHAM

EXECUTIVE SUMMARY

- The **sickness absence rate in the UK rose to 2.6% in 2022, the highest rate since 2004**.

- Total annual costs to the UK economy of lost output among working-age people due to ill health have been estimated at £150bn, with **employee absence costing the UK economy up to £41bn each year**.

- **Flexible working can support employees to work well**, balancing work and personal lives and mitigating stressors that drive absence.

- The value of flexibility has long been recognised in the policy sphere, including the recent announcement by the UK Government in late 2022 of **day one rights for requesting flexible working**.

- Flexible working has expanded significantly. Around **two-in-five working adults now report performing some work at home, and similar proportions are recorded for flexible working hours** (Annual Population Survey, 2023; Wheatley, 2023).

- However, **one-in-ten workers report not knowing whether certain flexible working arrangements are available** to them (Wheatley, 2022).

- This research identifies the necessary **steps to realise the benefits of flexible working, including for workplace well-being**, for both employer and employee.

Policy Recommendations

1. **Create guidelines for organisations on how to increase awareness of flexible working policies** and **actively promote the benefits of their use**.

2. **Develop training programmes and toolkits for line managers and leaders** to increase organisational capabilities and enable effective co-ordination of flexible working to ensure it fulfils the needs of the individual, while enabling fit with the needs of the team and wider organisation.

3. **Create guidance on how to move away from one-size-fits-all policies and practices** towards a tailored approach offering employees choice, agency and voice in decision-making, while accommodating different stakeholder needs.

4. **Promote the adoption of 'inclusive flexibility'** centring on how to increase workforce diversity and inclusivity through the creation of a more flexible workplace.

5. **Communicate the importance of flexible working practices working for both the employer and employee**. For example, use of core hours or onsite days in hybrid working should be approached carefully. Mandated presence on fixed days delivers less flexibility to the individual and may not create efficiencies at team/function level, e.g., where employees work across teams all members of one team being allocated the same mandated onsite days will create gaps in availability.

About the Research

This research investigates the employee well-being benefits of navigating the adoption of flexible working including remote and hybrid working. This large, multi-year, project has included research investigating applications in large organisations with diverse functions and within SMEs. The research has incorporated analysis of social surveys including Understanding Society, employee surveys including the CIPD's UK Working Lives Survey, evaluation of flexible working and employee well-being in partnership with Siemens Plc, data collected in focus groups held with employees, managers, and the senior leadership team at the UK business of a multinational organization, and international case study evidence.

Raising awareness of flexible working to mitigate absence, presenteeism and turnover

The research finds that lack of awareness continues to limit the effectiveness of flexible working policies.

Not all employees are fully aware that they can request to work flexibly and of the arrangements available at their employer, and/or do not always feel able to request flexible working.

Levels of awareness and perceived availability and autonomy over decisions to work flexibly often vary considerably at local level, in part reflecting the influence of local line management.

The role of line manager and senior leader buy-in

The role of line managers was highlighted in the research as having significant impacts on levels of awareness, perceived availability, and implications of the use of flexible working arrangements.

Where line managers and leaders are unsupportive potential impacts including loss of visibility within the organisation, reductions in support from line managers, and potential career progression implications.

Findings emphasise that line managers and leaders who are unsupportive of flexibility or themselves lack understanding engender an organisational environment in which flexibility is perceived negatively and often to only be applicable to employees with caring responsibilities or other needs. However, this limited perspective reflects a missed opportunity in realising the benefits of flexible working.

Inclusive flexibility and responsible autonomy

Flexibility enables employers to increase workforce diversity including creating opportunities for those who may find it challenging to engage in standard work routines. Adoption of remote and hybrid work expands the geographical labour pool available to employers.

Benefits for employees include improved engagement and performance, job satisfaction and well-being derived from the ability to better manage work alongside other demands and autonomy over the tasks, timing and location of work.

Conclusion

Flexibility has become the defining feature of the modern work landscape, including the expansion of remote and hybrid working patterns since the Covid-19 pandemic and technological advancements.

High workloads, job insecurity and uncertainty, and wider socio-economic factors including the cost-of-living crisis are, however, creating multiple pressure points for workers. Engaging with employee well-being is, therefore, more relevant than ever.

The adoption of 'inclusive flexibility' offers an effective method of supporting employee well-being, giving the employee agency over their working routines and enabling better management of work alongside other demands.

Flexible working has the potential to deliver benefits for employee and employer, but this requires buy-in from line managers and leaders.

As flexibility is in ever higher demand from employees it is essential that organisations are well positioned to accommodate flexibility in ways that provide benefits to the employee while recognising the impacts on stakeholders across the organisation.

Contact

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